

ASSEMBLY BILL

No. 3

Introduced by Assembly Member Blakeslee

December 6, 2004

An act to add Section 17208 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as introduced, Blakeslee. Income tax: deduction: education savings.

The Personal Income Tax Law authorizes various deductions in computing income that is subject to taxes imposed by that law.

This bill would allow a deduction for contributions, not exceeding specified amounts, made by a taxpayer to a qualified tuition program, as defined, and to a Coverdell education savings account, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17208 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17208. (a) There shall be allowed as a deduction an amount
- 4 equal to the contributions made during the taxable year by the
- 5 taxpayer to a qualified tuition program, as defined by Section 529
- 6 of the Internal Revenue Code, and to a Coverdell education
- 7 savings account, as defined by Section 530 of the Internal
- 8 Revenue Code.

1 (b) The deduction allowed by this section shall not exceed
2 seven hundred fifty dollars (\$750) per taxable year per each
3 designated beneficiary of a qualified tuition program or
4 Coverdell education savings trust.

5 SEC. 2. This act provides for a tax levy within the meaning of
6 Article IV of the Constitution and shall go into immediate effect.